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JROC CHANGES THE RULES OF DEFENSE PROCUREMENT

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Seminar B

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Quietly, a revolution in military affairs has occurred over the past few years. Not the “normal” revolution that advances new capabilities and weaponry, this is a revolution of process. These changes originated in the Defense Reorganization Act of 1986 (Goldwater - Nichols) which significantly altered the role of the Chairman of the Joint Chiefs of Staff. Many military observers know that this act increased the power of the Unified Commanders (CINCs) located around the globe, and tied promotions to service in the joint community. Few realize that the act created the position of Vice Chairman. Fewer still realize that the act required the Chairman of the Joint Chiefs of Staff to “submit to the Secretary of Defense alternate program recommendations and budget proposals to achieve greater conformance with the priorities established.”¹ To accomplish this the Vice Chairman established the Joint Requirements Oversight Council (JROC) in 1986. Relatively innocuous during its formative years, the JROC underwent a profound change under the present Vice Chairman, Admiral William Owens. The latest substantive change happened only months ago. “In February 1995 the JROC process was formally expanded to support the Chairman in advising the Secretary of Defense on requirement *priorities* as well as submitting alternate program recommendations and budget proposals.”² This autonomous expansion has altered the entire procurement landscape and has completed the significant shift in the power base within the Pentagon that began in 1986. This shift in power is best illustrated by reviewing the McNamara era defense procurement process, examining the new JROC process, and then looking at the actors who gain and lose as a result of this transition.

BACKGROUND

In 1961 Defense Secretary Robert McNamara attempted to inject discipline and efficiency into the Department of Defense (DOD) budget process. He believed that the military services could not prioritize acquisition and force structure themselves. McNamara believed that an external structure -- the Secretary of Defense's staff -- would have to play the role of honest broker. His systems analysts developed the Planning, Programming, and Budgeting System (PPBS). The PPBS process, as it now exists, is a 26 month process, from the beginning of planning to the commencement of the budget year.³ Planning starts 26 months before the budget year begins. Military officers in each service and on the joint staff review past guidance and plan for the future. The result is the Joint Chiefs of Staff policy review

called the Joint Strategic Planning Document (JSPD). Civilian officials in the Office of the Secretary of Defense review the JSPD, national strategic and defense policy, current plans and projects, and projected resources. The Office of the Undersecretary of Defense for Policy produces the end product of the planning phase -- The Defense Planning Guidance. This Defense Planning Guidance is the official DOD template from which services develop future budgets. In this development the OSD staff has a key advantage. "It takes time for a new individual to master the issues and learn the game, usually at least one cycle. In this process, it is usually the military officers who suffer from this disadvantage because they transfer much more frequently than their Civil Service counterparts."¹⁰ Clearly, uniformed personnel have a significant role in the planning function, but the overall planning process -- the first step in PPBS -- is orchestrated by the OSD civilian staff.

Programming comprises the second step of PPBS. The programming phase lasts from February to July of the year before the budget takes effect. Each military service, using the Defense Planning Guidance, develops a Program Objective Memorandum (POM). The POM "details the specific forces and programs that the service proposes over the [future budget years] to meet the military requirements identified in the DPG within the financial limits that are mandated by the Secretary of Defense."¹¹ The Defense Resource Planning Board, which is chaired by the Deputy Secretary of Defense and includes representatives from OSD and the Joint Chiefs, then reviews each service's POM. The board approves or disapproves the service's plan (POM) and publishes the Program Decision Memoranda. The Secretary of Defense's signature on the Program Decision Memoranda completes the programming phase. Traditionally during this phase the bulk of input comes from the services with the OSD staff critiquing and approving this input. As in the planning phase, the experience of the OSD gives them a significant advantage in steering decisionmaking.

The third and final portion of the PPBS process is the Budgeting phase. This lasts from August until late December of the year prior to the budget's implementation. The Office of the DOD Comptroller has primary responsibility for this process. The Comptroller converts the budget from the program elements (i.e., General Purpose Forces, Strategic Forces) used within the Defense Department to the functional format used by Congress (i.e., Military Personnel, procurement, etc.). Throughout this period,

the Department of Defense prepares justifications of individual items in preparation for the submission of the budget to Congress. "As a result, the budget review is often a more political process, and the services sometimes complain that decisions presumably made during the POM process are revisited during the budget review."^{vi} The Department of Defense submits the final product, the budget, through the Office of Management and Budget (OMB) to the Congress. During this phase, as intended by McNamara, the OSD staff has the lead with input and responses received from the services.

Hence, throughout the PPBS process, the OSD staff has the key role of integration, and decision making. The services are significantly involved with the preparation of submissions and negotiating with the OSD staff. Certainly the joint staff has a voice throughout this system, but they do not own any portion of the process outright, and prior to 1986 only operated on the periphery.

JROC PROCESS

The JROC process, on the other hand, is completely under the control of the Joint Staff. Proponents of the JROC argue that not until the Chairman gained some control over prioritization of procurement could the true intention of the Goldwater-Nichols Act be realized.

The Joint Requirements Oversight Council is composed of the vice chiefs of staff of each service and chaired by the Vice Chairman of the Joint Chiefs of Staff.^{vii} This forum receives the recommendations of eight working groups -- the Joint Warfighting Capability Assessment (JWCA) Committees. The JROC assigns each committee an area for study. The areas range from ground maneuver to air superiority and affect every service and every agency. One of the directors of the joint staff -- a three star or two star equivalent officer -- chairs each JWCA. Each assessment team has members from the services, the Office of the Secretary of Defense, Federally Funded Research Organizations (like RAND), DOD activities and Agencies, and others as necessary. The JWCA's have broad mission statements that allow them to assess each joint warfighting capability under their category. The result of this assessment is a prioritized recommendation for requirements, programs and budgets.^{viii} In October of each year the JWCA teams report their assessments to the JROC for approval. These approved assessments form the basis of the Chairman's Program Assessment submission to the Secretary

of Defense. In January the JWCA report their interim results for JROC review. Next the JROC and JWCA team flag officers travel to the unified commands to brief their updated assessments to each CINC. Afterward, the JWCA teams report their results -- together with the CINC inputs -- to the service chiefs and the Chairman of the Joint Chiefs of Staff. The CJCS uses this, along with other inputs, to prepare his Program Recommendations to the Secretary of Defense.^{xx}

The current shrinking procurement environment has amplified further the impact of the JROC process. Admiral Owens, the current Vice Chairman, has reported that "real defense expenditures will drop by nearly 50% between the late 1980s and the late 1990s."^{xx} As defense spending shrinks, budget cutters have significantly reduced flexibility over where they can make cuts in expenditures. Military and civilian pay provides a large, yet fixed, portion of the budget, construction, operations and research and development makes up most of the remainder. Of this increasingly smaller amount, budgeteers will devote fewer and fewer dollars to military research /development and procurement. For example, the Army's research, development and procurement budget amounted to \$24.3 billion dollars in 1989. In the FY 1996 budget that amount plummets to \$10.7 billion.^{xx} As a result of this shrinking budget, procurement decisions rapidly amount to a zero sum game among the services. By dint of its ability to recommend priorities, the JROC is the new power broker in this environment.

WINNERS AND LOSERS

Certainly the advent of the JROC process shrinks the role of the OSD civilian staff. Although the PPBS routine continues, the OSD staff sees their roles diminished as the JROC's direct access to the Secretary of Defense changes decisions made in PPBS. For instance, the JROC recently recommended that the services reduce the procurement of theater ballistic missile systems from 8 to 2 or 3. They recommended that the Army slow the development of its theater ballistic missile defense system (THAAD). The JROC wants the Navy's TBMD system, which promises to be significantly cheaper, sped up so that they can compare the two. This multibillion dollar decision largely bypassed the civilian staff. The civilian staff has complained that the JROC simply duplicates PPBS and wastes the Secretary of Defense's time as he reviews decisions previously made.^{xx} JROC proponents argue that the JROC does not duplicate the PPBS system since it does not assess and review every system, but merely selected ones.

Additionally, the joint staff sees this role as a fulfillment of their responsibilities under Goldwater-Nichols^{xiii} The Vice Chairman of the Joint Chiefs of Staff also co-chairs the OSD staff's Defense Acquisitions Board From this position the Vice Chairman can articulate JROC findings, using this as evidence to sway the OSD staff on key issues Clearly, the JROC process empowers the Joint Staff, while simultaneously diminishing the power of the Office of the Secretary of Defense civilian staff members

The uniformed services are the next losers Critics of the JROC "see the move as a power grab that would strip budget and program decision making authority from the services"^{xiv} "While [the service chiefs] continue to be responsible for organizing, training and equipping their forces, their influence over weapons decisions has waned"^{xv} Although each services' Vice Chief of Staff sits on the JROC, the very process dilutes his input For example, input to the JROC comes from two key sources the scheduled reports from the JWCAs, and input from the Unified Commanders in Chief around the world Services find the JWCAs, composed of many diverse members from each service and several agencies, less easy to sway to their perspective on any given issue Even if the service is successful in having its recommendation survive JWCA scrutiny, the service only has one representative on the JROC (unless the Vice Chairman is from your service) In actuality the Vice Chairman is the only voting member of the JROC^{xvi}

Congress' Goldwater-Nichols Act specifically intended that the second source of input, the CINCs, gain power vice the service chiefs Each January and August the "entire JROC personally deliver[s] lengthy briefings on JWCA results to each warfighting CINC"^{xvii} The CINCs then provide comments This second source of input has also served to diminish the power of service chiefs The increased importance of the CINC has inspired a predictable response from several services Astute service chiefs now dispatch action officers to travel to each CINC prior to the JROC visit Their role is to brief the CINC and hopefully sway him to that service's perspective If successful, the briefers hope the CINC will influence the JROC toward that service chief's program or perspective^{xviii} Hence the service chiefs have lost power with the expansion of the JROC

Not all services are equally adept at influencing the JROC, therefore the degree of "winning and losing" is not uniform Observers note that both the Navy and the Air Force seem to have more

experience in the Joint arena. Consequently, they seem to have more success in the process. The Navy has formed an internal assessment team to assist their members on the JWCA and their Vice Chief^{xxx}. Navy Admiral Bill Owens chairs the JROC. Vice Admiral LaCroix heads the J8 directorate, “the administrators and assessors” of the JROC. Over twenty-two months ago the Air Force formed a similar assessment team^{xx}. The Army, on the other hand, is just now contemplating assembling a similar team^{xxi}. Less capable at the inside game, the Army appears to benefit by current ownership of three of the five fighting “CINCDoms.” Therefore, the degree of individual service success in future procurement will depend on both mastery of the joint arena and ownership of the key positions.

As mentioned, the CINCs gained substantially from the creation of the JROC. Prior to the Goldwater Nichols Act the CINCs had little leverage to influence procurement or force structure decisions. In the PPBS system, Service Chiefs made most decisions in concert with the OSD staff. Currently, the JROC’s semiannual consensus gathering missions to each unified command give the CINCs a voice in the new process. Additionally, CINCs gain leverage over service chiefs because the service chiefs need the CINC’s vote (and therefore are approached prior to the JROC’s visit) to help sway the JROC^{xxx}.

For good or bad, the clear winner of the JROC revolution is the joint staff. Empowered by JROC decisions the Chairman can influence the Secretary of Defense in prioritization and procurement decisions. The Vice Chairman’s job has been enhanced substantially because he chairs the JROC and simultaneously sits on the Defense Acquisition Board as Co-Chairman. The JROC influences CINCs through their semi-annual briefings. Finally, the Joint Staff now reaches far beyond the old tasks of planning and doctrine writing, the directorates now have sway over a vast array of programs and initiatives via the JWCA process.

A final player in the Defense Acquisition process is the Congress. A highly centralized and unified Department of Defense often means Congress has less influence on service activities affecting its constituents^{xxxxiii}. The Defense Reorganization Act of 1986 has accomplished much of what Congress desired, but a by-product of this act is a stronger, more joint acquisition process. Members of Congress may now find it harder to influence procurement buys that the Defense Department does not want, or

believes it cannot afford. Watching the THAAD issue play out may reveal just how much influence Congress has surrendered. Soon after the JROC decided to slow production of THAAD, the Secretary of Defense received a letter "signed by 14 Senators, including Sen Strom Thurmond, Chairman of the Senate Armed Services Committee, and Majority Leader Bob Dole question[ing] any attempt to slow THAAD procurement."^{xxiv} Obviously the Congress will always retain great influence over the Defense Department, but the JROC process may lessen their overall influence -- only time will tell.

THE FUTURE

If there has been a substantial power shift to the Joint Staff with the growing importance of the JROC, then evidence of this will manifest itself in several different ways. First, the "losers" will likely take steps to ameliorate the growing power of the Joint Staff. Evidence of this is beginning to appear. The Civilian OSD staff personnel have recently discussed ideas and suggestions to integrate the input of the JROC with the civilian staff *before* it reaches the Secretary of Defense.^{xxv} They argue that the Secretary of Defense is busy and should not be asked to decide between two sets of recommendations (PFBS driven and JROC driven). If the OSD staff can accomplish this, they will have significantly decreased the impact of the JROC's recommendations -- recommendations that require direct access to the Secretary of Defense in order to carry any weight. For this reason it is unlikely that the Chairman will support any such restructuring of the process.

The service chiefs, the second "losers," have two ways to outmaneuver the JROC. As previously mentioned they can approach the CINCs prior to the JROC's semiannual visits. The Army is taking that approach now. Additionally, the services could try to infiltrate the Joint Staff with their best people. The Navy and the Air Force currently seem to be better postured for this. Evidence of this immigration of quality to the Joint Staff will almost certainly appear in promotion rates. The recent US Army promotion rate to colonel lends credence to this theory. The promotion rate to Colonel for those in the zone, and serving on the joint staff, was 88% as compared to a 44% selection rate for the Army at large.^{xxvi} Certainly, an Army-wide realization of the impact of Goldwater-Nichols has some effect on this high rate. Unquestionably, the Army is sending its best officers to joint duty. The selection rate for "other joint duty (not joint staff, but OSD staff or a CINC's staff)," on the other hand, was 57.1%.^{xxvii} The significantly

higher selection rate for the Joint Staff reflects the decision to send the best there, coupled with the simultaneous realization by officers that the best place to serve is the Joint Staff

SUMMARY

By reviewing the McNamara era defense procurement process, examining the new JROC process, and then looking at the actors who gain and lose as a result of this transition, one can clearly see the shift in power in the defense procurement process. For good or bad, the advent of the JROC has significantly empowered the joint staff. The CINCs have also gained a powerful voice in force structure and procurement in this transition. Both the uniformed services and the OSD staff have lost influence as a result. Although the influence has shifted to the Joint Staff, the players have all “experienced the wax and wane of their authority, influence, and responsibility over many years.”^{xxviii} The process of bureaucratic politics in the Department of Defense is unlikely to change significantly in the long run. Certainly the changes that had their genesis in the Goldwater-Nichols Act of 1986 are not permanent or inflexible. The service or services that moves the fastest to take advantage of the new realities will gain the most in the short run. However, any advantage gained may only exist in the short run. Powerful incentives exist to modify behavior in the long run. New strategies are likely to lead to a reestablished equilibrium that no service can exploit.

ENDNOTES

- ¹ Excerpted from a Joint Staff (J8) briefing slide The briefing is entitled Joint Requirements Oversight Council and the Joint Warfighting Capability Assessment Process, p 7
- ² JROC and JWCA briefing, p 9
- ³ Berner, Keith and Stephen Daggett, "A Defense Budget Primer," CRS Report to Congress Congressional Research Service, The Library of Congress, March 9, 1993 p 25
- ⁴ Jeffries, Chris, "Bureaucratic Politics in the Department of Defense A Practitioner's Perspective," in David C Kozak and James M Keagle, eds , Bureaucratic Politics and National Security Theory and Practice (Boulder, CO Lynne Rienner, 1988) ,p120
- ⁵ Berner and Daggett, p 26
- ⁶ Berner and Daggett, p 27
- ⁷ Jane's Defense Weekly, 23 July 1994, p 32
- ⁸ JROC and JWCA briefing, p 13
- ⁹ This process was taken in a large part verbatim from the JROC and JWCA briefing, p 19
- ¹⁰ Owens, William A , "A Report on the JROC and the Revolution in Military Affairs," in the Marine Corps Gazette, August 1995, p 47
- ¹¹ Army Program Analysis & Evaluation Directorate briefing dated 15 Nov 1995, p 29
- ¹² Interview with a civilian director on the OSD staff, 15 Nov 95
- ¹³ Interview with an action officer in J8, 15 Nov 95
- ¹⁴ "Jane's Interview," Jane's Defense Weekly, 23 July 1994 p 32
- ¹⁵ ' JWCA's find their footing in Pentagon programming,' Jane's Defense Weekly, 5 August 1995 p 19
- ¹⁶ This came from an interview with COL Fred Weiners, faculty of the NWC, and former member of the J3
- ¹⁷ JWCA's find their footing in Pentagon programming," p 18
- ¹⁸ Interview with a Military Representative from the US Army PA&E staff 15 Nov 1995
- ¹⁹ This came from an interview with an Army Officer on the J8
- ²⁰ This came from an interview with COL Fred Weiners, faculty of the NWC, and former member of the J3
- ²¹ This came from a very high ranking member of the U S Army staff Apparently an announcement to form a similar Army team will be made by Jan 1996
- ²² I gathered most of this through discussions with Army Officers in J8, an Army Joint Assignments officer in J1, and personnel on the Army PA&E staff
- ²³ Jeffries, p 116
- ²⁴ Holzer, Robert and Frank Oliveri, "Army Proposes To Speed THAAD," in Defense News, November 13-19, 1995, p 4
- ²⁵ Interview with a civilian director on the OSD staff, 15 Nov 95
- ²⁶ FY1995 Colonel Army Promotion Results, taken from the chart entitled "Joint Service Statistical Summary For Colonel/06, Army Competitive Category, Promotion Selection Board
- ²⁷ Ibid
- ²⁸ Jeffries, p 117